

United States Government

Department of Energy

memorandum

DATE: **JAN 23 2003**
REPLY TO:
ATTN OF: **FE-471.32**
SUBJECT: **ANNUAL NATIONAL ENVIRONMENTAL POLICY ACT (NEPA) PLANNING SUMMARIES**
TO: **Office of NEPA Policy and Compliance, EH-42 (Daniel)**

This responds to your December **18, 2002**, memorandum concerning Naval Petroleum Reserves in California's (NPRC) annual NEPA planning summary.

NPRC consists of the former NPR-1 and NPR-2.

NPR-1

NPR-1 is an active oil and gas field near Bakersfield, California (approximately 100 miles north of Los Angeles) that consists of approximately 47,409 acres of land. Prior to February **5, 1998**, the field was jointly owned by the Government and Chevron U.S.A. Production Company. The field was operated on behalf of the Government and Chevron by the Department of Energy (DOE). The Government's interest in the field was approximately 78 percent and Chevron's interest was approximately 22 percent. On February 5, 1998, the Government sold its interest to Occidental of Elk Hills, Inc., pursuant to the terms of a Purchase and Sale Agreement. Therefore, the field is now owned by Occidental and Chevron, and Occidental is the new operator. The Purchase and Sale Agreement requires DOE to perform certain environmental and cultural resource work over the next few years. To ensure this work complies with NEPA requirements, an Environmental Assessment covering the work was prepared in September 1999 and a Finding of No Significant Impact (FONSI) was issued in December 1999. No NEPA activities are anticipated in 2003 for NPR-1.

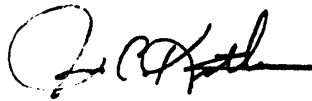
NPR-2

NPR-2, located adjacent to **NPR-1**, is comprised of approximately 30,181 acres of land. Approximately 19,735 of these acres are owned by several private companies (mostly oil companies), over which the Government has no jurisdiction. The Government owns the remaining 10,446 acres, which are administered by DOE. Approximately 9,224 acres have been leased to oil companies and are in oil and gas production, for which the Government receives royalty payments. The remaining 1,222 acres have not been leased and must be maintained by DOE. DOE has also issued approximately 26 permits to approximately 12 third

party entities granting them the right to conduct various industrial activities (e.g., pipeline rights-of-way) on the surface of specific leased and unleased lands.

No NEPA activities requiring an EA or EIS are anticipated for NPR-2 during calendar year 2003. However, we do anticipate a number of lessee oil and gas development projects (such as well drilling, facility abandonments, and the like) that may require NEPA documentation. Please be advised that there are tentative plans to transfer jurisdiction of NPR-2 to the Bureau of Land Management. We will notify your office if this should occur during 2003.

If you should have questions, please give Mr. Gary Holcomb a call at (661) 837-5008.



James C. Killen
Director
Naval Petroleum Reserves
in California

1-14-2003